

CL King & Associates, Inc./Paradigm Capital Management, Inc. / Paradigm Funds Advisor LLC Business Continuity Plan

The Business Continuity Plan (“BCP”) employed by CL King & Associates, Paradigm Capital Management and Paradigm Funds Advisor LLC (collectively the “Firm”) is intended to ensure the uninterrupted operations of the Firm’s business and/or restoration of the Firm’s operations in the most efficient and timely manner in case of a significant business disruption. The plan is designed to address the following key areas:

- Financial and operational requirements
- Alternate physical location of employees
- Critical business constituent, bank and counter-party impact
- Communications with customers, employees and regulators
- Data back-up and recovery
- Support for Mission critical systems
- Regulatory reporting
- Assuring customers prompt access to funds and securities in the event the Firm is not able to continue in business

The BCP is tested at least annually and is continually reviewed in light of changes in the Firm’s business, operational, IT, financial and physical environment.

A disruption can be caused by any accidental, natural or man-made event which threatens to or does disrupt normal operations for sufficient time to significantly affect the Firm’s ability to continue business. The scope of a disruption can be local, affecting the main or branch offices or a major application system, or regional or industry-wide, affecting the securities markets in part or as a whole. The Firm’s response to a disruption will depend upon the scope and estimated timeframe.

Our Firm’s policy is to respond to a significant business disruption by safeguarding employees’ and Firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the Firm’s books and records, and allowing our customers to transact business.

We back up our BCP electronically at our backup data center, where it can be retrieved in the event of failure of our primary data center.

Alternative Physical Location(s) of Employees

In the event of a significant business disruption we will continue operation at an alternate working location. Alternate locations will be determined by Firm management based on type and severity of business interruption. Alternative locations may include one or more branch offices.

Critical Business Constituent, Bank and Counter-Party Impact

Contact information for all of our critical business partners, banks and counter-parties are listed in the appendices to the business continuity plan. In the event of a significant business disruption we will use the most expedient method to communicate with these parties. We will always keep all parties updated with the status of this disruption to the extent appropriate.

All of those parties maintain business continuity plans of their own in the event of a significant disruption to their businesses.

The BCP provides for maintenance of phone, e-mail and internet service in the event of a disruption. Communications with critical business partners, banks and counter-parties will continue from alternate locations.

Communications with Customers, Employees and Regulators

In the event of a significant business disruption we will use the most expedient method to communicate with our customers, employees and regulators. We will always keep all parties informed with status on the situation of the business.

Data Back-Up and Recovery (Hard Copy and Electronic)

Our Firm maintains a copy of all relevant documents in our offsite storage facility – Iron Mountain, Kingston, NY. We have access to those records and files at any given time, so in the event of a significant business disruption we can always recover our records. Application and data at the Firm's production data center is replicated through-out the day to our backup data center at 80 State Street, Albany NY. Weekly and monthly backups are stored on a physical drive at a geographically separate location.

Mission Critical Systems

Our Firm's mission critical systems are those that ensure prompt and accurate processing of securities transactions and the maintenance of customer accounts. These systems and their associated data are either maintained by an outside vendor in their own secure environment or, to the extent data is stored in the Firm's data center, replicated through-out the day to our backup data center.